

European Semester Quarterly

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Introduction

Welcome to this first edition of Eurodiaconia European Semester Quarterly. This publication is designed to provide key information on the European Semester to our members so that your engagement in the Semester may be more productive, focused and recognised. We know from the experience of several years now that the Semester process is at times unfathomable and that it can at other times appear to lack relevance for your daily work. However, ensuring a good economic and social policy basis for diaconal work and social work in general is essential. Sadly, the current economic approaches of fiscal consolidation and austerity combined with an emphasis on employment as the key way to address poverty and social exclusion mean that, as diaconal organisations, we are living and working in challenging times.

In this edition you will be able to read about how the European Semester works and how it is relevant for your work both as service providers and as social justice advocates. You will hopefully be motivated to contact your European Semester officer and to review your country report. Most of all, we hope you will be able to get involved in the consultation on the National Reform Programmes that your governments will be sending to the European Commission in the coming weeks and to be inspired – or indeed challenged – by how Eurodiaconia member Kerk in Actie has been involved in the Semester.

Please give us your feedback on your engagement and also on this publication – we want to hear your views, experiences and ideas for future editions.

With best wishes,

Heather Roy
Secretary General
Eurodiaconia

If you have any questions, suggestions or experiences to share, please do not hesitate to contact Stephan Burger at stephan.burger@eurodiaconia.org or Giacomo Manca at giacomo.manca@eurodiaconia.org.

Why it is important to work in the European Semester

The European Semester is a policy cycle which the European Commission uses to coordinate EU Member States' economic governance. It was launched together with the Europe 2020 strategy in 2010 and had its first cycle in 2011, the aim of which was to ensure a better coordination of budgetary and economic policies in the European Union in order to reach [the goals of the Europe 2020 strategy](#) for smart, sustainable and inclusive growth.

Over the course of the last years, however, the European Semester has become increasingly disconnected from the Europe 2020 strategy. In 2014, the Commission opened a public consultation for the mid-term evaluation of the Europe 2020 strategy. To date, the outcomes of this consultation process have remained unclear.

The main steps

The Semester timeline is focused on the first half of the year, and ensures the cooperation of the European Commission and each Member State in the compilation of their budgetary programmes.

- » Each year in November, the European Commission publishes the **Annual Growth Survey (AGS)**, a document surveying the economic landscape across Member States and setting the ground for EU-wide economic and social policy priorities. It also produces recommendations for the Euro area as well as opinions on the draft of Member States budgetary plans. These documents are discussed in January by the European Council.
- » In February, the Commission prepares **Country Reports** on the overall economic situation, which include some notes on social policy achievements in each Member State.

- » In April, Member States submit their **National Reform Programmes (NRP)** to the Commission. These documents are particularly important for organisations involved in social policies because these programmes contain the decisions on the allocation of resources by Member States.
- » In May, on the basis of the Country Report and in response to the NRP, the Commission formulates **Country-Specific Recommendations (CSRs)** to individual Member States.
- » In June, the European Council considers the Country-Specific Recommendations and adopts them as proposed or with small adjustments. Member States should then finalise their budgets. It is also important to follow the recommendations of the European Commission: whilst these recommendations are not binding, policy warnings can be issued by the European Commission if they are not implemented within the given time frame (specifically those concerning economic stability and growth). Social recommendations are currently not tied to any sanctions in case of non-compliance by EU Member States.

European Semester trends and the current Commission

The European Semester was initiated to coordinate Member States' policies to achieve the targets of Europe 2020; therefore, it could be assumed that one of the central aims of the European Semester would be to combat poverty, in accordance with Europe 2020's headline target on reducing the number of persons at risk of poverty by 20 million by 2020. Unfortunately, the Semester seems to have lacked ambition concerning social objectives from the start.

Guidance given to Member States has increasingly focused on fiscal consolidation and growth-enhancing measures, which often translate into the prioritisation of austerity measures and the reduction of vital benefits and services. Attempts to reduce the harmful social impact of such measures have been limited at best.

In the aftermath of the midterm review consultation process for Europe 2020, and with the start of the Juncker Commission, reducing poverty in the light of the Europe 2020 strategy is still subordinate to priorities such as structural reforms and fiscal consolidation.

Why it is still important to get engaged?

Whilst the European Semester is not a legally binding mechanism regarding social policies, it does have some impact. It is important that any consideration of social policies reflects the concerns our members have on the basis of their work at local, regional and national level. The whole process highly influences the availability of budgetary resources and the prioritisation of policy themes in the Member States' national policies.

It is important for civil society to engage in the European Semester and to make its voice heard – not only to clarify its position and to provide recommendations on specific policy actions, but also to prevent economic policies from being pursued at the expense of social policies, and to keep social priorities on the reform agenda.

Eurodiaconia members can play an important role in monitoring the process of the European Semester, in order to check (and possibly to try to have an impact on) the policy direction which directly concerns their operations. They can be involved particularly during the preparation phase of the National Reform Programmes by the Member States, which contain (among other things) the plans on the budget funding for social

policies.

For many members, the key way of influencing the Semester process is the NRP. To get involved, contact the responsible Ministry or the European Semester Officer.

How is it possible to get involved?

The European Commission encourages Member States to involve stakeholders in the Semester process. For many members, the key way to influence the Semester process at national level is the phase during which the National Reform Programmes are developed. Often, civil society organisations are given less prominence in consultations compared to social partners such as trade unions, employers' federations and chambers of commerce.

Diaconal organisations, as stakeholders in social policies, need to contact the structure that in each Member State is responsible for the [National Reform Programmes](#) (in many cases the Ministry of Finance), to ask to get involved during the drafting phase of the programme. It is important to give feedback on the NRP draft and to submit proposals while also reviewing the implementation of NRP's from previous years. Members can also look at how the overall approach to growth and fiscal consolidation will impact poverty reduction and the delivery of services.

There are [European Semester officers](#) from the European Commission based in each national representation. They are specialised in the European Semester process and able to give advice on both the mechanics of the Semester and on ways to get involved.

Various key documents issued by the Commission in the Semester process can be

used by civil society organisations, including diaconal organisations, to support their analysis of the National Reform Programmes and to advocate for social change:

- » Firstly, NGOs can use any social priorities and concrete recommendations outlined in the Annual Growth Survey to reinforce their own recommendations towards national governments.
- » Secondly, the Country Reports produced in February/March each year provide an analysis of a number of current national challenges and trends. Diaconal organisations can check if this analysis matches their assessment of the existing social risks and challenges, and communicate their views to the European Commission.

- » Thirdly, civil society can review the Country Specific Recommendations and assess whether the CSR's propose relevant measures to address the social situation, are compatible with proposed economic and/or fiscal measures, and review whether any of the CSR's contradict each other (and may hamper social progress as a result).

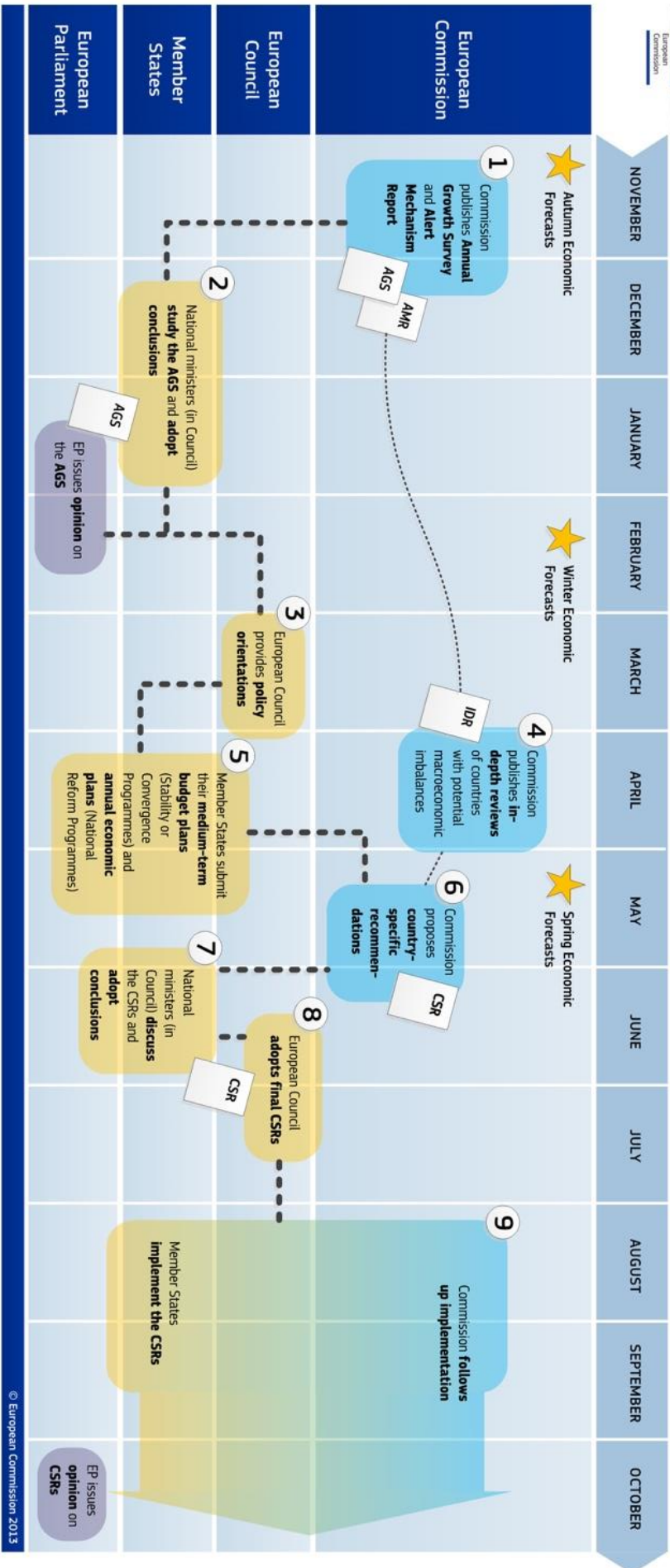
To help members wishing to engage in the Semester process, Eurodiaconia published a policy toolkit on its website. Check the toolkit (below) to obtain more information on the Semester and the Europe 2020 goals, to get ideas on how to start advocacy work on this topic, and to find out about practical examples and feedback from diaconal organisations which have already worked on the Semester. On the next page, you will find the Semester timeline.



You can find [Eurodiaconia toolkit](#) on the European Semester on our website.



European Semester



The 2016 European Semester: A Dutch perspective

Kerk in Actie, the Dutch member of Eurodiaconia, has been involved in the European Semester process for a number of years. In 2016, Kerk in Actie is focused on engaging with the National Reform Programme through a coalition called '*Sociale Alliantie*'. According to Trinus Hoekstra, project manager at Kerk in Actie, the NRP offers a valuable closer insight into the Dutch government's planned policy actions in the realm of fighting poverty and ensuring decent work. In a short interview, he shared his main observations on the European Semester from a Dutch perspective.

How would you rate your involvement in the European Semester process for 2016 so far?

Through the *Sociale Alliantie*, Kerk in Actie was invited to a consultation by the Ministry of Economic Affairs (EA) in December last year. We received a draft version of the National Reform Programme in early February. Since then, we have shared our perspectives with two representatives of the Ministry of EA, but also with the State Secretary of Social Affairs and Employment.

On the one hand, it is positive that we have been involved in the process at an early stage – particularly in contrast to 2015, when the *Sociale Alliantie* was not consulted on the NRP at all. On the other hand, our means of influencing the programme remain limited. The meeting with the EA representatives was primarily aimed at informing us about the process; when we shared our perspective on the actual NRP contents, they indicated that they would pass on the information, but that they couldn't guarantee these would be taken on board 'higher up' the Ministry hierarchy.

Jetta Klijnsma, the State Secretary for social



Trinus Hoekstra works as project manager at Kerk in Actie

affairs and employment, seemed to share some of our main concerns and promised to add our written comments to the preparatory documents for an upcoming parliamentary debate about the NRP; however, it remains uncertain whether there will be an actual chance to discuss them. She also indicated that macroeconomic considerations are likely to remain dominant in the final version of the NRP.

How would you evaluate the content of the 2016 NRP?

Little has changed compared to previous years. There is still a clear focus on budgetary consolidation, competitiveness and economic growth. The government's employment policies, in particular, seem to be based on an outdated vision of expanding employment opportunities; the NRP disregards recent forecasts that economic growth will remain low in the coming

Involved with the European Semester since: 2010

Contact with the European Semester Officer: No

Main focus: NRP, 2017 country report

years and that unemployment will remain widespread. With the current measures, aimed at strengthening the growth potential of the economy at the expense of social security, people are being directed towards a labour market where job precariousness becomes an increasing risk. Furthermore, the document lacks any meaningful acknowledgement of the tensions between macroeconomic and social aims.

The NRP contains some positive initiatives in the realm of poverty reduction; however, they seem to be of secondary importance, and the proposed strategy of fighting poverty through employment is undermined by the rising insecurity on the labour market.

Would you have tips for other NGOs who want to make their voices heard in the Semester?

Firstly, from a strategic perspective, I would underline the importance of creating coalitions and alliances with partner organisations. Internally, within our own *Sociale Alliantie*, it has proven relatively easy to reach consensus and to agree on common messages; together, we are taken more seriously because we represent a greater number of voices, and Kerk in Actie gets a chance to attend meetings which it might not have been invited to if it would have acted on its own. Joining hands is even more important as the number of stakeholders being consulted can be very limited. For example, whilst the Netherlands are apparently a 'best practice' country when it comes to stakeholder involvement, only five social stakeholders were actually invited to the 2016 NRP consultation (the *Sociale Alliantie* being one of them).

Secondly, I would recommend that you discuss key Semester documents and developments in any meetings you might have with government officials – including those which are not part of the formal consultation process. For example, the *Sociale Alliantie* requested that a review of the draft NRP be put on the agenda for the meeting with State Secretary Jetta Klijnsma. In the end, this proved to be a valuable opportunity to provide feedback via another route.

The logo for 'kerk in actie' is displayed. The word 'kerk' is in a bold, red, sans-serif font. Below it, the words 'in actie' are in a bold, orange, sans-serif font. The 'in' is smaller and positioned between 'kerk' and 'actie'.

Who are the European Semester Officers?

The European Commission has appointed specialist "European Semester Officers" in each European Commission Representation Office in EU Member States. Usually taking the role of economic and financial policy officers, they can explain complex details of EU economic governance to national stakeholders, including members of Eurodiaconia.

The mission of these Semester Officers is both to provide information on the Semester to stakeholders and also to obtain a balanced picture of the challenges which their respective Member State is facing in order to ensure that the annual Country-Specific Recommendations adequately reflect the realities on the ground. The Semester Officers are tasked with cooperating with all relevant stakeholders across society, including ministries, parliaments, social partners and civil society organisations.

The mission of the Semester Officers is to make the European Semester accessible to civil society, turning it into a more inclusive and democratic instrument.

Why is it useful to contact a Semester Officer?

The mission of the Semester Officers is to make the European Semester more accessible to civil society and to turn it into a more inclusive and democratic instrument. For example, in Italy and in Belgium, Semester Officers organise information and dialogue sessions for stakeholders in order to improve the bottom-up aspect of the European Semester. As such, it can be useful to build up a relationship with your Semester Officer in order to receive any invitations and updates from them.

Concretely, the Semester Officer can help organisations to participate in the drafting both of the National Reform Programmes of their country (facilitating contact with government officials responsible for the coordination of the Semester process) and of the Country-Specific Recommendations prepared by the Commission (for example, they can inform on the timing and the best ways to provide inputs to the Commission experts). Furthermore, being in contact with the European Semester Officer can provide organisations with a more general opportunity to be involved in debates and other initiatives around the European Semester and Europe 2020.

To find a European Semester Officer in your country, you can consult the [websites of the European Commission Representations](#). The Eurodiaconia secretariat can also provide you with the contact details of the European Semester Officers in your country.



Institutional Developments

Ministers for Employment and Social Affairs discuss the 2016 European Semester

On 7 March, the ministers of employment and social affairs of all EU Member States convened in Brussels for a meeting of the EPSCO Council.¹ One of the main items on the agenda was the 2016 European Semester process. In this context, the debate focused on two key questions: 1) how could structural reforms, which often involve a politically sensitive redistribution of collective wealth, be realised in an inclusive and effective manner, and 2) to what extent should Country-Specific Recommendations allow room for interpretation by Member States?

The main outcomes of the meeting were that any attempt at structural reform should rely on broad consensus and support; ministers not only emphasised the importance of cross-political agreement, but also the necessity to improve co-ownership of any reform process by involving social partners as well as civil society organisations. Good communication and transparency, which have been noted to be lacking by Eurodiaconia members, were recognised as key principles. With regards to CSRs, ministers agreed that these should be grounded on accurate evidence and on the 'practice of Member States', whilst allowing room for governments to pursue their own preferred policy response. In other words, CSRs should focus on outcomes but not dictate the means how these should be achieved – a vision which allows governments to reduce the chance for politically 'unfavourable' decisions, but also weakens the influence of the European Commission and civil society organisations over the implementation of recommended reforms.

¹ Employment, Social Policy, Health and Consumer Affairs Council.

European Parliament study explores the social/employment dimension of the European Semester



In 2014, the Employment and Social Affairs Committee of the European Parliament requested a study on the current relevance of employment and social issues in the European Semester, looking particularly at the CSRs. The study, conducted by the Istituto per la Ricerca Sociale (IRS), has now been published and can be consulted [here](#).

The study concludes that:

- » **Although the 'social dimension' of the European Semester has gradually increased, the trend has been partial at best.** For example, the amount of CSRs on social and employment issues has slightly increased between 2013 and 2015, but they fail to comprehensively address the major emerging challenges in the employment/social field. In general, macroeconomic policies continue to dominate CSR content.

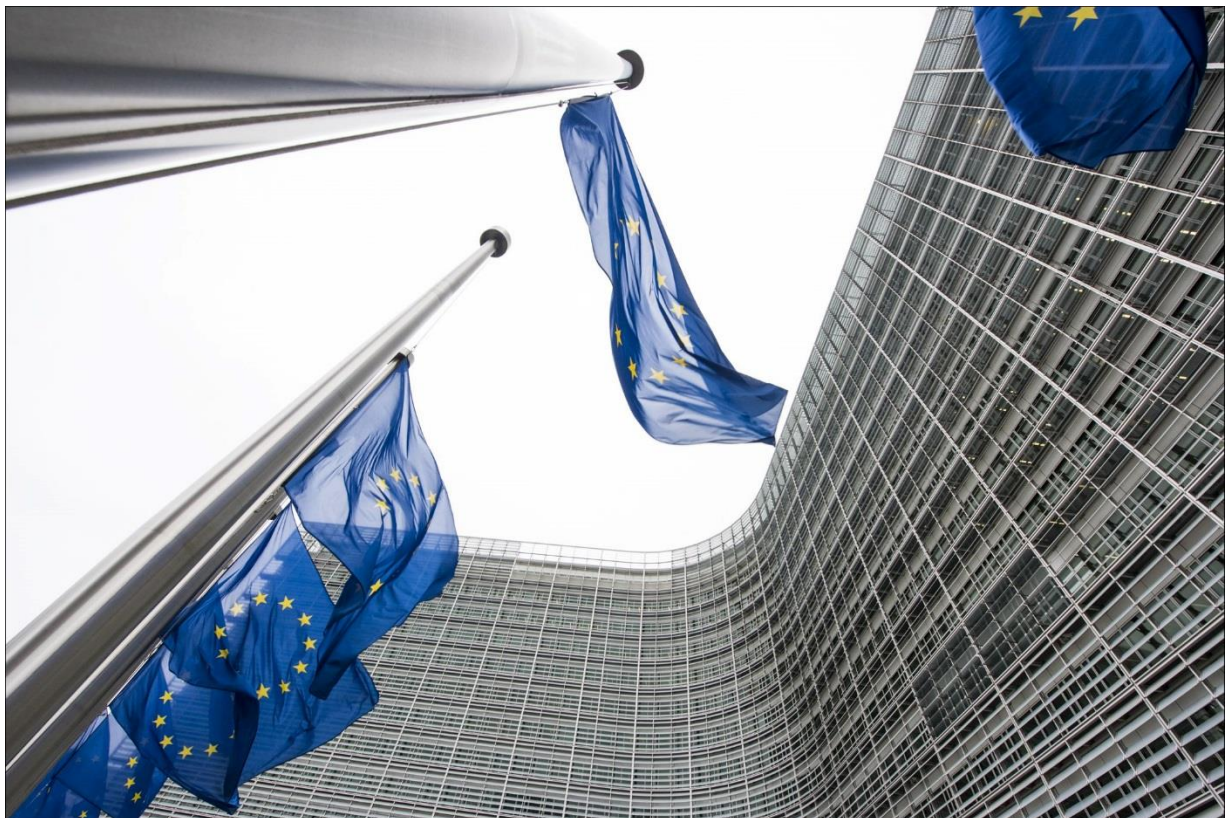
- » **Whilst the European Semester has become increasingly prominent, the EU2020 strategy has been losing ground.**

Many CSRs are not related to the headline targets of EU2020, which were affected negatively by the crisis.

- » **Social/employment CSRs tend to prioritise cost-effectiveness over poverty reduction.** Particularly vulnerable groups (such as migrants, women and poor children) are not sufficiently taken into account and little attention is paid to the long-term impact of ensuring the 'economic sustainability' of social and employment reforms.
- » **Social/employment CSRs are often devised on the basis of inadequate data.**

There is a general lack of disaggregated data looking at factors such as gender, age or educational level. As such, existing social/employment indicators fail to capture the complexity of relevant trends, and currently cover only a limited number of social and employment developments.

In order to boost the 'socialisation' of the European Semester, the study recommends (amongst others) to increase the transparency of the Semester process, to improve the space for participation of civil society organisations and other stakeholders, to support mutual learning among Member States, to further encourage social investment as a foundation for smart and inclusive growth, and to reinforce the original headline targets of the EU2020 strategy.



European Commissions' Country Reports: Where is social policy?

In February 2016, the Commission published a series of Country Reports (previously called Staff Working Documents) which analyse Member States' economic and social policies. These are working documents which contains a general overview on EU Member States' financial and economic situation, and which assess the state of health of each national economy through a detailed study. These documents put together both data from Eurostat and from several national statistics institutes, ensuring a high reliability of their assessments.

The reports have different formats for different countries: for example, some reports include a separate section on social policies, while other reports group these contents together with the ones concerning employment and education. In some few cases, social policies are not mentioned at all in the reports. The reports also vary a lot in terms of length and structure, according to national specificities: in some cases, an extra focus concerning groups at risk of poverty or regional imbalances is provided.

The majority of country reports evaluate current efforts to reduce poverty as insufficient

The Country Reports and the 2020 targets

Concerning the realisation of the Europe 2020 targets, a short paragraph in the introduction of each report lists the trends that are progressing positively and the ones which require closer attention. The reports generally praise (the

outcomes of) efforts taken in several policy fields, but not necessarily in the field poverty reduction, social inclusion and employment.

It is alarming to note that, with the exception of a few Member States such as Germany, Lithuania, Romania, Slovakia and Sweden, **all the efforts to reduce poverty are evaluated as insufficient for the majority of Member States.**² The same can be said for employment rates: only Germany, Latvia, the Netherlands and Sweden are said to be performing well towards their employment targets. In some countries which still perform above the EU average in these two policy areas, negative trends have been observed. In Finland, for instance, the rate of people at risk of poverty and the number of jobless households has increased, although the levels are still lower than in other Member States.

What happens next?

On the basis of the Country Reports, the Commission will present Country-Specific Recommendations to Member States in May. Those countries which are considered to be at risk of macroeconomic imbalances receive more detailed recommendations.

Eurodiaconia encourages its members to look at their country report: this can provide a valuable overview of current social and economic trends, and constitute an authoritative policy tool for advocacy towards national governments. All country reports are available on the website of [Europe 2020](#), together with the Country-Specific Recommendations from previous years.

² We considered only the Member States hosting at least one-member organisation of Eurodiaconia.

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